Tennessee Department of Agriculture
Agricultural Resources Conservation Fund
A Report Made to:

House Agriculture Committee
House Conservation and Environment Committee
Senate Commerce, Labor and Agriculture Committee
Senate Environment Committee

February 1, 2005

Background

In 1991 the 97th General Assembly established the Agricultural Nonpoint Water Pollution Control Fund [TCA 67-4-409(l)]. The purpose of the Fund was to implement a program for the abatement and prevention of nonpoint source pollution that may be caused by agricultural activities. Revenue for the program is derived from the Recordation Tax on the transfer of real property from which the Ag Nonpoint Fund receives 1.5 cents per $100 of property value.

In 1997, the General Assembly enacted modifications to the Fund, by renaming it the Agricultural Resources Conservation Fund, and by focusing the program to fund solutions to nonpoint water pollution from agriculture, to educate the landowners, producers, and managers about activities to eliminate nonpoint source pollution, and to fund projects associated with livestock production.

Basically, the Agricultural Resources Conservation Fund provides funding to landowners to install needed Best Management Practices on their lands to eliminate the impairment of the waters of Tennessee from excessive soil loss, and associated pollutant transport. Funds are also available for Information and Education projects, to educate landowners, producers and managers about how to best keep their operations from causing degradation of our streams, lakes, and rivers.

The Water Resources Program within the Department's Administration and Grants Division has the responsibility to administer the Agricultural Resources Conservation Fund.

Program Components

The Agricultural Resources Conservation Fund includes:

1. Best Management Practices (BMPs) that control soil erosion from cropland such as terraces, grade stabilization structures, diversions, water and sediment control basins, grassed waterways, field borders, riparian filters, buffer strips and other practices that may be recommended by the United States Department of Agriculture, Natural Resources conservation Service (USDA-NRCS).

2. BMPs that control and manage animal waste such as structural systems (lagoons, holding ponds), poultry composters, litter storage facilities, livestock exclusion systems, rotational grazing systems, alternative watering facilities, and other practices recommended by the USDA-NRCS.

3. BMPs that prevent or reduce pollution associated with the use of fertilizer and pesticides such as integrated pest management and pesticide containment practices.

4. BMPs that maintain or improve water quality and soil productivity and prevent erosion on private forestland. Specific measures include stabilization of abandoned roads, trails, firebreaks, and landings as well as protection, restoration, and improvement of riparian areas.

5. Information and Education projects that promote the adoption of agricultural and forestry BMPs or create public awareness about such activities. Up to 5 percent of the total annual revenue from the Fund may be allocated for education purposes.

Program Priorities

As stated in TCA 67-4-409 (l), "It is the intent of the general assembly that the highest priority of the agricultural resources conservation fund is to abate and prevent nonpoint source water pollution that may be associated with agricultural production." Therefore, the Department has developed guidelines for the program, to ensure that the BMPs installed across Tennessee will have a positive effect on the water resources of our state.

Financial History

Consistent with the requirements of TCA 67-4-409(m), the following is a summary of expenditures relative to implementation of the Agricultural Resources Conservation Fund.

Summary of Activities of the Agricultural Resources Conservation Fund

	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997
Revenues	$ 1,417,425	$ 1,434,289	$ 1,988,615	$ 2,113,152	$ 2,352,958	$ 3,558,469
Expenditures	$ 884,389	$ 1,409,323	$ 1,620,709	$ 1,780,890	$ 2,364,676	$ 2,834,128
Grants to Soil Conservation Districts	45	67	81	88	94	95
Grants to Multi-County Organizations	6	9	17	21	25	21
Number of Farms/Participants	515	913	1,038	1,422	1,552	1,680
Number of Practices Installed	641	886	1,181	1,431	1,638	1,716
Acres Treated/ Stabilized	20,881	34,850	45,758	52,138	52,498	40,459
Animal Waste System Projects	5	26	29	39	38	41

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY2003	FY2004
Revenues	$ 2,575,656	$ 3,049,065	$ 3,018,658	$ 3,103,680	$ 3,362,644	$ 3,639,596	$ 669,813
Expenditures	$ 2,855,679	$ 3,017,537	$ 2,416,659	$ 2,284,724	$ 3,538,666	$ 2,789,631	$ 385,768
Grants to Soil Conservation Districts	95	95	95	95	95	95	32
Grants to Multi-County Organizations	20	20	20	25	25	17	5
Number of Farms/Participants	1,534	1,835	1,223	1,195	1,530	1,159	134
Number of Practices Installed	1,562	2,220	1,296	1,466	2,292	1,659	178
Acres Treated/ Stabilized	29,228	64,812	42,817	18,135	22,215	61,052	5,987
Animal Waste System Projects	38	29	31	33	71	8	1

Before and After Photographs of Typical BMP Installations

Stream Crossing: Coffee County

Livestock Exclusion from Waterway: Bradley County

Streambank Restoration: Giles County

Livestock Exclusion Fencing: Hawkins County

Livestock Exclusion Fencing: Johnson County

Diversion Structure: Gibson County

Grade Stabilization Structure: Lauderdale County

Grade Control Structure to Repair 20-foot deep gully: Lauderdale County